

**Exhibit 300 (BY2008)**

<b>PART ONE</b>	
<b>OVERVIEW</b>	
<b>1. Date of Submission:</b>	2006-11-07
<b>2. Agency:</b>	015
<b>3. Bureau:</b>	45
<b>4. Investment Name:</b>	Electronic Fraud Detection System (EFDS)
<b>5. UPI:</b>	015-45-01-12-01-2221-00
<b>6. What kind of investment will this be in FY2008?</b>	
Operations and Maintenance	
<b>7. What was the first budget year this investment was submitted to OMB?</b>	
FY2001 or earlier	
<b>8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap.</b>	
<p>The Electronic Fraud Detection System (EFDS) is a mission critical, automated client server-based system used to maximize fraud detection at the time that tax returns are filed to eliminate the issuing of questionable refunds. The 1993 Malcolm Sparrow Report determined that annual losses estimated at several billions of dollars were attributable to paper and electronic tax returns fraud and identified a gap between the IRS' technological service competence and its technological compliance competence. In 1994, the Palmer Task Force recommended to Congress that a pre-refund automated fraud control process be developed to significantly reduce IRS losses from fraudulent tax refunds. The system would be consistent with guidelines provided by the Government Performance and Results Act (GPRA), the Information Technology Management Reform Act (ITMRA), and the Office of Management and Budget (OMB) guidance on technology investments. In processing year (PY) 1995, the EFDS was successfully prototyped at the Cincinnati Service Center (CSC) and rolled out to the 5 IRS Electronic Filing (ELF) Service Centers. The EFDS has evolved into a system that is used by Criminal Investigation (CI) Investigative Aides/Analysts (IA/As), Program Analysts, and Special Agents at the 10 IRS Campuses/Fraud Detection Centers, 5 Lead Development Centers (LDC), over 35 Field Offices, and the IRS National Office. For FY 2004, IRS Commissioner Everson's budget request focused on drivers that were derived from the IRS performance-based budgeting process. The Commissioner identified the strengthening of compliance as the principal focus of the President's FY 2004 IRS budget. The Commissioner stated that the "IRS does not have the resources to attack every case of noncompliance. Therefore, it must apply its resources to areas where non-compliance is greatest while still maintaining adequate coverage in other areas." Several serious compliance problem areas were identified in the Commissioner's report, including: 1) promoters of tax schemes of all varieties; and 2) the high rate of Erroneous Earned Income Tax Credit (EITC) payments. The availability of the EFDS is essential for the Internal Revenue Service (IRS) to be successful in its efforts to increase compliance in these areas. Through tax year 2004, the EFDS has been used to stop the issuance of hundreds of millions of dollars of fraudulent and erroneous tax refunds and has met or exceeded the performance goals established by the business owner, IRS Criminal Investigations.</p>	
<b>9. Did the Agency's Executive/Investment Committee approve this request?</b>	
yes	
<b>9.a. If "yes," what was the date of this approval?</b>	
2006-08-09	
<b>10. Did the Project Manager review this Exhibit?</b>	
yes	
<b>11. Project Manager Name:</b>	
Solomonik, Michelle	
<b>Project Manager Phone:</b>	
(202) 283-5620	
<b>Project Manager Email:</b>	
michelle.l.solomonik@irs.gov	
<b>12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.</b>	

yes	
12.a. Will this investment include electronic assets (including computers)?	
yes	
12.b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)	
no	
13. Does this investment support one of the PMA initiatives?	
yes	
If yes, select the initiatives that apply:	
Financial Performance	
13.a. Briefly describe how this asset directly supports the identified initiative(s)?	
The Electronic Fraud Detection System (EFDS) supports the Improved Financial Performance President's Management Agenda (PMA) initiative. This PMA initiative addresses erroneous benefit and assistance payments associated with several government programs. The EFDS is used to identify and stop payment of erroneous tax refunds related to fraudulent refund claims. In FY 2005, the dollar amount of fraudulent claims for refunds detected using the EFDS was \$2,447,660,278.	
14. Does this investment support a program assessed using OMB's Program Assessment Rating Tool (PART)?	
yes	
14.a. If yes, does this investment address a weakness found during the PART review?	
no	
14.b. If yes, what is the name of the PART program assessed by OMB's Program Assessment Rating Tool?	
Internal Revenue Service Criminal Investigations	
14.c. If yes, what PART rating did it receive?	
Moderately Effective	
15. Is this investment for information technology (See section 53 for definition)?	
yes	
16. What is the level of the IT Project (per CIO Council's PM Guidance)?	
Level 2	
17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)	
(2) Project manager qualification is under review for this investment	
18. Is this investment identified as high risk on the Q4 - FY 2006 agency high risk report (per OMB's high risk memo)?	
yes	
19. Is this a financial management system?	
no	
19.a.2. If no, what does it address?	
The Electronic Fraud Detection System (EFDS) is a mission critical, automated client server-based system used to maximize fraud detection at the time that tax returns are filed to eliminate the issuing of questionable refunds.	
20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)	
Hardware	0
Software	0
Services	85
Other	15
21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?	
n/a	
22. Contact information of individual responsible for privacy related questions.	

<i>Name</i>																																
Stephen Wagner																																
<i>Phone Number</i>																																
(202) 283-5375																																
<i>Title</i>																																
IT specialist																																
<i>Email</i>																																
stephen.j.wagner@irs.gov																																
23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?																																
yes																																
<b>SUMMARY OF SPEND</b>																																
1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated Government FTE Cost, and should be excluded from the amounts shown for Planning, Full Acquisition, and Operation/Maintenance. The total estimated annual cost of the investment is the sum of costs for Planning, Full Acquisition, and Operation/Maintenance. For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.																																
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(Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)																																
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Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).																																
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2. Will this project require the agency to hire additional FTE's?																																
no																																
3. If the summary of spending has changed from the FY2007 President's budget request, briefly explain those changes.																																
After the September BY08 submission to Office of Management and Budget (OMB), the Treasury approved an additional \$11.4M in FY08 funding for Electronic Fraud Detection System (EFDS). This note serves to inform OMB of the increase and Treasury's intention to modify the lifecycle status of this investment from Operations and Maintenance (O&M) to Development, Modernization or Enhancement (DME) via a Baseline Change Request (BCR) that will be submitted in accordance with A-11 requirements.																																
<b>PERFORMANCE</b>																																
In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative or qualitative																																

measure.

Agencies must use Table 1 below for reporting performance goals and measures for all non-IT investments and for existing IT investments that were initiated prior to FY 2005. The table can be extended to include measures for years beyond FY 2006.

Table 1

	Fiscal Year	Strategic Goal(s) Supported	Performance Measure	Actual/baseline (from Previous Year)	Planned Performance Metric (Target)	Performance Metric Results (Actual)
1	2003	Treasury - Manage the Government's Finances Effectively; IRS - Enhance Enforcement of the Tax Law; Criminal Investigations (CI) - Increase Support of Compliance efforts in Operating Divisions through Increased Application of Resources on Legal Source Tax Cases.	Increase Subject Criminal Investigations (CI) Initiated (Questionable Refund Program (QRP) and Return Preparer Program (RPP) Legal Source Tax Crimes) by 18 percent over FY2002 baseline. Electronic Fraud Detection System (EFDS) supports the CI Office Of Refund Crimes in the identification of Legal Source Tax Crimes.	Questionable Refund Program (QRP) and Return Preparer Program (RPP) Subject Criminal Investigations Initiated in FY2002 as shown in the Criminal Investigation Strategy and Program Plan. 582 Questionable Refund Program (QRP) and Return Preparer Program (RPP) Investigation Initiations.	Subject Criminal Investigations (CI) Initiated is a key CI workload indicator. Electronic Fraud Detection System (EFDS) quantitative measures are Number of Fraudulent Schemes Identified, Number of Fraudulent Refund Claims Detected, and Dollar Amount of Fraudulent Claims for Refund Detected.	Subject Criminal Investigations (CI) Initiated, Questionable Refund Program (QRP) and Return Preparer Program (RPP) - 520. Schemes Identified - 16,232. Number of Fraudulent Claims for Refund - 96,160. Dollar Amount of Fraudulent Claims for Refund Detected - \$348,612,522
2	2003	Treasury - Manage the Government's Finances Effectively; IRS - Enhance Enforcement of the Tax Law; Criminal Investigations (CI) - Increase Support of Compliance efforts in Operating Divisions through Increased Application of Resources on Legal Source Tax Cases.	Increase Subject Criminal Investigations (CI) Completed (Questionable Refund Program (QRP) and Return Preparer Program (RPP) Legal Source Tax Crimes) by 7.8 percent over FY2002 baseline. Electronic Fraud Detection System (EFDS) supports the CI Office Of Refund Crimes in the identification of Legal Source Tax Crimes.	Questionable Refund Program (QRP) and Return Preparer Program (RPP) Subject Criminal Investigations (CI) Completed in FY 2002 as shown in the Criminal Investigation Strategy and Program Plan. 326 QRP and RPP Investigations Completed.	Subject Criminal Investigations (CI) Initiated is a key CI workload indicator. Electronic Fraud Detection System (EFDS) quantitative measures are Number of Fraudulent Schemes Identified, Number of Fraudulent Refund Claims Detected, and Dollar Amount of Fraudulent Claims for Refund Detected.	Subject Criminal Investigations (CI) Completed, QRP and RPP - 549. Schemes Identified - 16,232. Number of Fraudulent Claims for Refund - 96,160. Dollar Amount of Fraudulent Claims for Refund Detected - \$348,612,522.
3	2004	Treasury - Manage the Government's Finances Effectively; IRS - Enhance Enforcement of the Tax Law; Criminal Investigations	Increase Subject Criminal Investigations (CI) Initiated (Legal Source Tax Crimes) by 3 percent over FY2003 baseline. EFDS supports the CI Office Of	QRP and RPP Subject Criminal Investigations (CI) Initiated in FY2003 as shown in the Criminal Investigation Strategy and Program Plan. 520 Questionable Refund	Subject Criminal Investigations (CI) Initiated is a Key Workload indicator used by CI for measuring all initiatives, including Electronic Fraud Detection System	Subject Criminal Investigations (CI) Initiated, QRP and RPP - 473 through 30 September 2004.

		(CI) - Increase Support of Compliance efforts in Operating Divisions through Increased Application of Resources on Legal Source Tax Cases.	Refund Crimes in the identification of Legal Source Tax Crimes.	Program (QRP) and Return Preparer Program (RPP) Investigation Initiations.	(EFDS).	
4	2004	Treasury - Manage the Government's Finances Effectively; IRS - Enhance Enforcement of the Tax Law; Criminal Investigations (CI) - Increase Support of Compliance efforts in Operating Divisions through Increased Application of Resources on Legal Source Tax Cases.	Increase Subject Criminal Investigations (CI) Completions (Questionable Refund Program (QRP) and Return Preparer Program (RPP) Legal Source Tax Crimes) by 3 percent over FY2003 baseline. Electronic Fraud Detection System (EFDS) supports the CI Office Of Refund Crimes in the identification of Legal Source Tax Crimes.	Questionable Refund Program (QRP) and Return Preparer Program (RPP) Subject Criminal Investigations (CI) Completed in FY 2003 as shown in the Criminal Investigation Strategy and Program Plan. 549 Questionable Refund Program (QRP) and Return Preparer Program (RPP) Investigation Completions.	Subject Criminal Investigations (CI) Completed is the Critical Measure used by CI for measuring all initiatives, including Electronic Fraud Detection System (EFDS).	Subject Criminal Investigations (CI) Completed, Questionable Refund Program (QRP) and Return Preparer Program(RPP) - 537 through 30 September 2004.
5	2004	Treasury - Manage the Government's Finances Effectively; IRS - Enhance Enforcement of the Tax Law; Criminal Investigations (CI) - Increase Support of Compliance efforts in Operating Divisions through Increased Application of Resources on Legal Source Tax Cases.	Increase the Number of Fraudulent Schemes Identified by 3 percent over FY2003	The Number of Fraudulent Schemes Identified in PY 2003 is 16,232 Schemes.	The Number of Fraudulent Schemes identified, a quantitative measure for the Criminal Investigations (CI) Fraud Detection Centers, is no longer used as a performance metric by the CI Office of Refund Crimes.	Statistics on Schemes Identified are no longer being collected by the Criminal Investigations (CI) Office of Refund Crimes.
6	2004	Treasury - Manage the Government's Finances Effectively; IRS - Enhance Enforcement of the Tax Law; Criminal Investigations (CI) - Increase	Increase the Number of Fraudulent Claims for Refund Detected by 3 percent.	The Number of Fraudulent Claims for Refunds Detected in PY 2003 is 96,160.	The Number of Fraudulent Claims for Refunds Detected is a quantitative measure for the Criminal Investigation Fraud Detection Center.	Number of Fraudulent Claims for Refunds Detected - 132,542 through 30 September 2004.

		Support of Compliance efforts in Operating Divisions through Increased Application of Resources on Legal Source Tax Cases.				
7	2004	Treasury - Manage the Government's Finances Effectively; IRS - Enhance Enforcement of the Tax Law; Criminal Investigations (CI) - Increase Support of Compliance efforts in Operating Divisions through Increased Application of Resources on Legal Source Tax Cases.	Increase Subject Criminal Investigations (CI) Initiated (Questionable Refund Program (QRP) and Return Preparer Program ( RPP) Legal Source Tax Crimes) by 3 percent over FY2004 baseline. Electronic Fraud Detection System (EFDS) supports the CI Office of Refund Crimes in the identification of Legal Source Tax Crimes	The Dollar Amount of Fraudulent Claims for Refunds Detected in PY 2003 is \$348.6 Million.	The Dollar Amount of Fraudulent Claims for Refunds Detected is a quantitative measure for the Criminal Investigations Fraud Detection Center	The Dollar Amount of Fraudulent Claims for Refunds Detected is \$491,347,318 through 30 September 2004.
8	2005	Treasury - Manage the Government's Finances Effectively; IRS - Enhance Enforcement of the Tax Law; Criminal Investigations (CI) - Increase Support of Compliance efforts in Operating Divisions through Increased Application of Resources on Legal Source Tax Cases.	Increase Subject Criminal Investigations (CI) Initiated (Questionable Refund Program (QRP) and Return Preparer Program(RPP) Legal Source Tax Crimes) by 3 percent over FY2004 baseline. Electronic Fraud Detection System (EFDS) supports the CI Office of Refund Crimes in the identification of Legal Source Tax Crimes	Questionable Refund Program (QRP) and Return Preparer Program (RPP) Subject Criminal Investigations (CI) Initiations in FY 2004 are 473.	Subject Criminal Investigations Initiated is a Key Workload indicator used by CI for measuring all initiatives, including Electronic Fraud Detection System (EFDS).	Subject Criminal Investigations initiated, Questionable Refund Program (QRP) and Return Preparer Program(RPP) (unofficial) - 580 through September 30, 2005.
9	2005	Treasury - Manage the Government's Finances Effectively; IRS - Enhance Enforcement of the Tax Law; Criminal Investigations (CI) - Increase Support of	Increase Subject Criminal Investigations (CI) Completions (QRP and RPP Legal Source Tax Crimes) by 3 percent over FY 2004 baseline. Electronic Fraud Detection System (EFDS) supports	QRP and RPP Subject Criminal Investigations (CI) completed in FY 2004 as shown in the Criminal Investigations Strategy and Program Plan. 313 QRP and 224 RPP Subject Criminal Investigations	Subject Criminal Investigations Completed is a Key Workload indicator used by CI for measuring all initiatives, including Electronic Fraud Detection System (EFDS).	Subject Criminal Investigations completed, QRP and RPP (unofficial) - 493 through September 30, 2005.

		Compliance efforts in Operating Divisions through Increased Application of Resources on Legal Source Tax Cases.	the CI Office of Refund Crimes in the identification of Legal Source Tax Crimes.	Completed in FY 2004		
10	2005	Treasury - Manage the Government's Finances Effectively; IRS - Enhance Enforcement of the Tax Law; Criminal Investigations (CI) - Increase Support of Compliance efforts in Operating Divisions through Increased Application of Resources on Legal Source Tax Cases.	Increase the Dollar Amount of Fraudulent Claims for Refunds Detected by 3 percent.	The Dollar Amount of Fraudulent Claims for Refunds Detected in PY 2004 is \$491.3 Million	The Dollar Amount of Fraudulent Claims for Refunds Detected is a quantitative measure for Criminal Investigation's Fraud Detection Centers.	The Dollar Amount of Fraudulent Claims for Refunds Detected (unofficial) is \$2,447,660,278 through September 30, 2005. This includes 2 QRP returns with refund claims totaling \$1.8 billion.
11	2006	Treasury - Manage the Government's Finances Effectively; IRS - Enhance Enforcement of the Tax Law; CI - Increase Support of Compliance efforts in Operating Divisions through Increased Application of Resources on Legal Source Tax Cases.	Increase Subject Criminal Investigations (CI) Initiated (QRP and RPP Legal Source Tax Crimes) by 3 percent over FY2005 baseline. Electronic Fraud Detection System (EFDS) supports the CI Office of Refund Crimes in the identification of Legal Source Tax Crimes.	The baseline is 580 QRP and RPP Subject Criminal Investigations Initiated, which is the actual FY 2005 total.	Subject Criminal Investigations Initiated is a Key Workload indicator used by CI for measuring all initiatives, including Electronic Fraud Detection System (EFDS).	Subject Criminal Investigations initiated, QRP and RPP (unofficial) - 213 through March 31, 2006. This total represents fraudulent refunds identified using EFDS prior to PY 2006.
12	2006	Treasury - Manage the Government's Finances Effectively; IRS - Enhance Enforcement of the Tax Law; Criminal Investigations - Increase Support of Compliance efforts in Operating Divisions through	Increase Subject Criminal Investigations (CI) Completed (Questionable Refund Program (QRP) and Return Preparer Program (RPP) Legal Source Tax Crimes) by 3 percent over FY2005 baseline. Electronic Fraud Detection System	The baseline is 493 QRP and RPP Subject Criminal Investigations (CI) Completed, which is the actual FY 2005 total.	Subject Criminal Investigations (CI) Completed is a Key Workload indicator used by CI for measuring all initiatives, including Electronic Fraud Detection System (EFDS).	Subject Criminal Investigations completed, QRP and RPP (unofficial) - 278 through March 31, 2006. This total represents fraudulent refunds identified using Electronic Fraud Detection System (EFDS) prior to PY 2006.

		Increased Application of Resources on Legal Source Tax Cases.	(EFDS) supports the CI Office of Refund Crimes in the identification of Legal Source Tax Crimes.			
13	2006	Treasury - Manage the Government's Finances Effectively; IRS - Enhance Enforcement of the Tax Law; Criminal Investigations - Increase Support of Compliance efforts in Operating Divisions through Increased Application of Resources on Legal Source Tax Cases.	Increase the Dollar Amount of Fraudulent Claims for Refunds Detected by 3 percent.	The FY 2005 Dollar Amount of Fraudulent Claims for Refunds Detected is \$2,447,660,278. This is a one time anomaly resulting from 2 large QRP returns. The baseline to be used is \$506,000,000, which represents a 3% increase over the 2004 baseline.	The Dollar Amount of Fraudulent Claims for Refunds Detected is a quantitative measure for Criminal Investigation's (CI) Fraud Detection Centers.	The Dollar Amount of Fraudulent Claims for Refunds Detected (unofficial) is \$123,970,800 through March 31, 2006. This total represents fraudulent refunds identified using Electronic Fraud Detection System (EFDS) prior to PY 2006.
14	2007	Treasury - Manage the Government's Finances Effectively; IRS - Enhance Enforcement of the Tax Law; Criminal Investigations - Increase Support of Compliance efforts in Operating Divisions through Increased Application of Resources on Legal Source Tax Cases.	Increase Subject Criminal Investigations (CI) Initiated (Questionable Refund Program (QRP) and Return Preparer Program (RPP) Legal Source Tax Crimes) by 3 percent over FY2006 baseline. Electronic Fraud Detection System (EFDS) supports the CI Office of Refund Crimes in the identification of Legal Source Tax Crimes.	The baseline will be the actual number of Questionable Refund Program (QRP) and Return Preparer Program (RPP) Subject Criminal Investigations (CI) Initiated in FY 2006.	Subject Criminal Investigations (CI) Initiated is a Key Workload indicator used by CI for measuring all initiatives, including Electronic Fraud Detection System (EFDS).	-
15	2007	Treasury - Manage the Government's Finances Effectively; IRS - Enhance Enforcement of the Tax Law; Criminal Investigations (CI) - Increase Support of Compliance efforts in Operating Divisions through Increased	Increase Subject Criminal Investigations (CI) Completed (Questionable Refund Program (QRP) and Return Preparer Program (RPP) Legal Source Tax Crimes) by 3 percent over FY2006 baseline. Electronic Fraud Detection System (EFDS) supports the CI Office of	The baseline will be the actual number of QRP and RPP Subject Criminal Investigations (CI) Completed in FY 2006.	Subject Criminal Investigations (CI) Completed is the Key Workload indicator used by CI for measuring all initiatives, including Electronic Fraud Detection System (EFDS).	-



		Application of Resources on Legal Source Tax Cases.	Refund Crimes in the identification of Legal Source Tax Crimes.			
16	2007	Treasury - Manage the Government's Finances Effectively; Internal Revenue Service (IRS) - Enhance Enforcement of the Tax Law; Criminal Investigations (CI) - Increase Support of Compliance efforts in Operating Divisions through Increased Application of Resources on Legal Source Tax Cases.	Increase the Dollar Amount of Fraudulent Claims for Refunds Detected by 3 percent.	The baseline will be the Dollar Amount of Fraudulent Claims for Refunds Detected in PY 2006.	The Dollar Amount of Fraudulent Claims for Refunds Detected is a quantitative measure for Criminal Investigation's Fraud Detection Centers.	-

All new IT investments initiated for FY 2005 and beyond must use Table 2 and are required to use the FEA Performance Reference Model (PRM). Please use Table 2 and the PRM to identify the performance information pertaining to this major IT investment. Map all Measurement Indicators to the corresponding "Measurement Area" and "Measurement Grouping" identified in the PRM. There should be at least one Measurement Indicator for at least four different Measurement Areas (for each fiscal year). The PRM is available at [www.egov.gov](http://www.egov.gov).

Table 2

Fiscal Year	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the Baseline	Actual Results
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## EA

In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.

1. Is this investment included in your agency's target enterprise architecture?

yes

1.a. If no, please explain why?

2. Is this investment included in the agency's EA Transition Strategy?

no

2.b. If no, please explain why?

Electronic Fraud Detection System (EFDS) is in the As-Built-Architecture. No new enhancements were made to EFDS. EFDS does not impact any of the MV&S projects that were submitted in the last Select cycle.

3. Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to <http://www.whitehouse.gov/omb/egov/>.

*Component: Use existing SRM Components or identify as NEW. A NEW component is one not already identified as a service component in the FEA SRM.*

*Reused Name and UPI: A reused component is one being funded by another investment, but being used by this investment. Rather than answer yes or no, identify the reused service component funded by the other investment and identify the other investment using the Unique Project Identifier (UPI) code from the OMB Ex 300 or Ex 53 submission.*

*Internal or External Reuse?: Internal reuse is within an agency. For example, one agency within a department is reusing a service component provided by another agency within the same department. External reuse is one agency within a department reusing a service component provided by another agency in another department. A good example of this is an E-Gov initiative service being reused by multiple organizations across the federal government.*

*Funding Percentage: Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the funding level transferred to another agency to pay for the service.*

	Agency Component Name	Agency Component Description	Service Type	Component	Reused Component Name	Reused UPI	Internal or External Reuse?	Funding %
1	Tax Account Management Business Logic	Electronic Fraud Detection System (EFDS) Architecture Oracle Database, Disaster Recovery Architecture and Loads Component used data exchange extensively.	Data Management	Data Exchange			No Reuse	1
2	Data Recovery	Electronic Fraud Detection System (EFDS) Architecture Oracle Database, Disaster Recovery Architecture and Loads Component use data recovery continually.	Data Management	Data Recovery			No Reuse	1
3	Data Warehouse	Electronic Fraud Detection System (EFDS) Architecture Oracle Database Disaster Recovery Architecture and Loads Component use data	Data Management	Data Warehouse			No Reuse	1

		warehousing extensively.						
4	Loading and Archiving	Electronic Fraud Detection System (EFDS) Architecture Oracle Database, Disaster Recovery Architecture and Loads Component use Loading and Archiving extensively.	Data Management	Loading and Archiving			No Reuse	1
5	Legacy Integration	Based on re-engineering improvements Electronic Fraud Detection System (EFDS) Architecture Oracle Database, Disaster Recovery Architecture and Loads Component use has been improved.	Development and Integration	Legacy Integration			No Reuse	1
6	Software Development	Reengineering of the Electronic Fraud Detection System (EFDS) Oracle Database architecture and Loads Component.	Development and Integration	Software Development			No Reuse	8
7	Computers/Automation Management	Electronic Fraud Detection System (EFDS) Architecture application component uses client/server-based system software and hardware.	Asset / Materials Management	Computers / Automation Management			No Reuse	4
8	Data Mining	Electronic Fraud	Knowledge Discovery	Data Mining			No Reuse	2

		Detection System (EFDS) Data Mining Algorithm is utilized within the Loads Component						
9	Document Review and Approval	Electronic Fraud Detection System (EFDS) Change Control Board (CCB) reviews and approves EFDS documents.	Document Management	Document Review and Approval			No Reuse	1
10	Document Revisions	PVCS Tracker is used to track document revisions.	Document Management	Document Revisions			No Reuse	2
11	Tax Account Management Business Logic	Electronic Fraud Detection System (EFDS) Application Standardized Report format follows uniform IRS approved standards	Tracking and Workflow	Process Tracking			No Reuse	2
12	Performance Management	Electronic Fraud Detection System (EFDS) Project Office, EFDS Development use a variety of validation performance monitoring tools to track EFDS performance, including Precision software.	Investment Management	Performance Management			No Reuse	1
13	Change Management	Electronic Fraud Detection System (EFDS) Project Office Change Control Board (CCB), EFDS Development	Management of Processes	Change Management			No Reuse	5

		Contractors, Oracle Database, Loads Components and EFDS Disaster Recovery Architecture use IRS approved standards for change management.						
14	Configuration Management	Electronic Fraud Detection System (EFDS) Project Office Change Control Board (CCB), EFDS Development Contractors, Oracle Database, Loads Components and EFDS Disaster Recovery Architecture use IRS approved standards for configuration management.	Management of Processes	Configuration Management			No Reuse	8
15	Quality Management	Electronic Fraud Detection System (EFDS) Development is contractually required to follow Capability Maturity Model (CMM) Level 2.	Management of Processes	Quality Management			No Reuse	10
16	Online Help	Electronic Fraud Detection System (EFDS) Application uses online Tips and Hints for the users.	Customer Initiated Assistance	Online Help			No Reuse	1
17	Software Distribution	Electronic Fraud Detection	Systems Management	Software Distribution			No Reuse	1

		System (EFDS) Development uses established and proven methodologies in updating and revising deliverables to the EFDS.						
18	Document Library	Electronic Fraud Detection System (EFDS) Client/Server Architecture Application, Oracle Database, Loads Component and EFDS Disaster Recovery Architectures maintain deliverable and testing documentation in an online web based library.	Collaboration	Document Library			No Reuse	2
19	Access Control	Access to the Electronic Fraud Detection System (EFDS) application database is controlled by Oracle 9.2.07 in accordance with Internal Revenue Manual (IRM) standards.	Security Management	Access Control			No Reuse	1
20	Audit Trail Capture and Analysis	Auditing user activity on the Electronic Fraud Detection System (EFDS) database is provided by Oracle 9.2.07.	Security Management	Audit Trail Capture and Analysis			No Reuse	1
21	Identification and Authentication	The Electronic Fraud Detection System	Security Management	Identification and Authentication			No Reuse	1

		(EFDS) application is used for user identification and authentication.						
22	Standardized/Canned	Electronic Fraud Detection System (EFDS) Application Standardized Report format follows uniform ELC approved standards.	Reporting	Standardized / Canned			No Reuse	0
23	Software Development	ClearCase was used to reengineer the Electronic Fraud Detection System (EFDS) client/server application and database to improve performance.	Development and Integration	Software Development			No Reuse	25

4. To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

FEA SRM Component: Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications.

Service Specification: In the Service Specification field, Agencies should provide information on the specified technical standard or vendor product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

	SRM Component	Service Area	Service Category	Service Standard	Service Specification (i.e., vendor and product name)
1	Data Exchange	Service Access and Delivery	Service Transport	Supporting Network Services	Precise 6.2
2	Performance Management	Service Access and Delivery	Service Transport	Supporting Network Services	Precise 6.2
3	Identification and Authentication	Service Access and Delivery	Service Requirements	Authentication / Single Sign-on	Oracle 9.2.07
4	Access Control	Service Access and Delivery	Service Requirements	Authentication / Single Sign-on	Oracle 9.2.07
5	Software Distribution	Service Access and Delivery	Access Channels	Other Electronic Channels	Oracle 8.6.6 Client
6	Online Help	Service Access and Delivery	Service Requirements	Hosting	Borland C + +
7	Audit Trail Capture and Analysis	Service Access and Delivery	Service Requirements	Legislative / Compliance	Oracle 9.2.07

8	Data Mining	Service Platform and Infrastructure	Database / Storage	Storage	Clementine 9
9	Loading and Archiving	Service Platform and Infrastructure	Database / Storage	Storage	Oracle 9.2.07
10	Data Warehouse	Service Platform and Infrastructure	Database / Storage	Database	Oracle Warehouse Builder 10.1.0.2
11	Data Recovery	Service Platform and Infrastructure	Database / Storage	Database	Oracle 9.2.07
12	Legacy Integration	Service Platform and Infrastructure	Database / Storage	Database	Oracle 9.2.07
13	Quality Management	Service Platform and Infrastructure	Software Engineering	Test Management	Merant PVCS Tracker
14	Standardized / Canned	Service Platform and Infrastructure	Delivery Servers	Media Servers	NFS Maestro 9.0
15	Computers / Automation Management	Service Platform and Infrastructure	Hardware / Infrastructure	Local Area Network (LAN)	SUN Gigaswift
16	Change Management	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	Merant PVCS Tracker
17	Configuration Management	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	Merant PVCS Tracker
18	Process Tracking	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	Microsoft Scheduler
19	Software Development	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	ClearCase
20	Access Control	Component Framework	Security	Supporting Security Services	Oracle 9.2.07
21	Document Revisions	Component Framework	Data Management	Reporting and Analysis	Adobe FrameMaker 7.1
22	Document Library	Component Framework	Data Management	Reporting and Analysis	Adobe FrameMaker 7.1
23	Document Review and Approval	Component Framework	Data Management	Reporting and Analysis	Adobe FrameMaker 7.1

5. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?

no

6. Does this investment provide the public with access to a government automated information system?

no

### PART THREE

#### RISK

You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.

Answer the following questions to describe how you are managing investment risks.

1. Does the investment have a Risk Management Plan?



yes
<i>1.a. If yes, what is the date of the plan?</i>
2006-11-14
<i>1.b. Has the Risk Management Plan been significantly changed since last year's submission to OMB?</i>
yes
<i>1.c. If yes, describe any significant changes:</i>
<p>Several new risks have been identified and added to the EFDS Risk Inventory. These include: 1) Technology - If the 2005 EFDS system software (e.g. Oracle 9i and Solaris) are not compatible with the EFDS application changes for TY 2006, then the PY 2007 client/server application may not function properly, 2) Data/Information - If the 2006 data loads are not successfully loaded for PY 2007 System Acceptability Testing (SAT) and production, then prior year data will not be available for fraud detection analysis, 3) Data/Information - If the extract data for the client/server system is bad, then the user will not have a complete picture of taxpayer history; and 4) Dependencies and Interoperability Between This and Other Investments - If the EFDS Project Office does not coordinate with the IPv6 Project Office, the migration from the IPv4 infrastructure to IPv6 islands could compromise applications.</p>
<b>COST &amp; SCHEDULE</b>
<i>1. Was operational analysis conducted?</i>
yes
<i>1.a. If yes, provide the date the analysis was completed.</i>
2006-10-24
<i>What were the results of your operational analysis?</i>
<p>The Electronic Fraud Detection System (EFDS) has not been operational during processing year (PY) 2006. During this period, the system has not been available to users to perform the task that the system is designed for, to identify potentially fraudulent tax refund claims. As of the date of the Operational Analysis, 24 October 2006, the EFDS customer, Criminal Investigation (CI), had not provided the required Customer Survey. The EFDS customer has requested a time extension to complete the Customer Survey and the Business Sponsor Recommendations under the Operational Assessment section of the Operational Analysis.</p>